

Announcement of the 2008 Financial Statements

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Group Financial Highlights

	2008	2007	2006	2005	2004
Income statement (DKKm)					
Core income excl trading income	3,066	2,539	2,298	2,013	1,965
Trading income	1,159	1,488	1,319	1,079	712
Total core income	4,225	4,027	3,617	3,092	2,677
Costs and depreciation	2,484	2,200	2,030	1,853	1,714
Core earnings before impairment	1,741	1,827	1,587	1,239	963
Impairment of loans and advances etc	544	(568)	(171)	65	225
Core earnings	1,197	2,395	1,758	1,174	738
Profit/(Loss) on investment portfolios	(385)	(193)	173	139	160
Profit before non-recurring items	812	2,202	1,931	1,313	898
Non-recurring items, net	162	55	120	-	87
Profit before contribution to the Danish Contingency Committee	974	2,257	2,051	1,313	985
Contribution to the Danish Contingency Committee	163	-	-	-	-
Profit before tax	811	2,257	2,051	1,313	985
Tax	205	547	537	377	235
Profit for the year	606	1,710	1,514	936	750
Balance sheet highlights (DKKbn)					
Loans and advances at amortised cost	82.5	74.5	65.5	53.5	41.8
Loans and advances at fair value	13.3	8.6	7.7	7.2	5.7
Deposits and other debt	75.0	66.0	50.0	43.6	38.6
Bonds issued at amortised cost	10.1	10.1	10.0	6.7	1.9
Subordinated capital (Tier 2)	4.2	3.8	3.5	2.8	1.8
Shareholders' equity (Tier 1)	7.1	6.7	6.3	5.0	4.4
Total assets	156.0	132.3	114.8	98.9	78.6
Financial ratios per share (DKK per share of DKK 10)					
EPS Basic	9.5	25.6	22.1	13.7	10.7
EPS Diluted	9.5	25.6	22.1	13.7	10.7
Share price at year-end	64.3	219.3	270.0	151.0	107.8
Book value	112.5	104.6	92.1	72.9	63.6
Share price/book value	0.57	2.10	2.93	2.07	1.69
Average number of shares outstanding (in millions)	63.4	66.7	68.5	68.6	70.3
Proposed dividend	-	3.0	3.0	3.0	3.0
Other financial ratios and key figures					
Solvency (total capital) ratio	14.7	11.9	11.8	11.1	11.4
Core capital (Tier 1) ratio	10.8	8.9	9.0	8.1	9.3
Pre-tax profit as % of average equity	11.8	34.6	36.2	27.9	22.3
Post-tax profit as % of average equity	8.8	26.2	26.7	19.9	17.0
Income/cost ratio (DKK)	1.24	2.37	2.10	1.68	1.51
Interest rate risk	1.4	2.6	2.0	2.3	3.4
Foreign exchange position	11.4	1.7	10.3	2.8	1.5
Foreign exchange risk	0.0	0.0	0.1	0.1	0.0
Loans and advances relative to deposits	1.0	1.0	1.2	1.1	1.1
Loans and advances relative to equity	11.6	11.1	10.3	10.7	9.4
Growth in loans and advances for the year	10.7	13.7	22.4	28.0	19.9
Excess cover relative to statutory liquidity requirements	89.4	103.1	74.0	95.1	114.2
Total large exposures	23.8	46.4	34.7	93.9	61.5
Accumulated impairment ratio	1.0	0.9	1.6	2.1	2.6
Impairment ratio for the year	0.6	(0.6)	(0.2)	0.1	0.4
Number of full-time staff at year-end	2,479	2,276	2,190	2,123	2,075

From 2008 solvency (total capital) and core capital (Tier 1) ratios are calculated according to the new capital adequacy requirements.

Summary

Profit for 2008 is severely adversely impacted by the financial crisis and by the decline in economic growth. In this light profit before tax of DKK 811m is satisfactory. The result equals a return of 11.8% on average shareholders' equity (Tier 1).

Sydbank's acquisition of and merger with bankTrelleborg was executed on 1 February 2008. Comparative figures for 2007 have not subsequently been restated.

The Group's Danish activities are covered by the Danish government guarantee scheme for deposits with and unsecured claims against Danish banks.

The income statement for 2008 is characterised by:

- 21% increase in core income excl trading income
- 22% decline in trading income
- 13% growth in costs (core earnings)
- Impairment of loans and advances and amounts owed of DKK 544m
- Loss on investment portfolios of DKK 385m
- Non-recurring items of DKK 162m
- Contribution of DKK 163m to the Danish Contingency Committee.

Summary income statement

Group (DKKm)	2008	2007
Core income excl trading income	3,066	2,539
Trading income	1,159	1,488
Total core income	4,225	4,027
Costs and depreciation	2,484	2,200
Core earnings before impairment	1,741	1,827
Impairment of loans and advances etc	544	(568)
Core earnings	1,197	2,395
Profit/(Loss) on investment portfolios	(385)	(193)
Profit before non-recurring items	812	2,202
Non-recurring items, net	162	55
Profit before contribution to the Danish Contingency Committee	974	2,257
Contribution to the Danish Contingency Committee	163	-
Profit before tax	811	2,257
Tax	205	547
Profit for the year	606	1,710

Core earnings before impairment represent DKK 1,741m against DKK 1,827m in 2007. The decline of DKK 86m consists of a rise in core income excl trading income of DKK 527m, a decline in trading income of DKK 329m and a rise of DKK 284m in costs (core earnings).

Core earnings before impairment are in line with our announcement in the Q1-Q3 2008 Interim Report. In Q4 2008 core earnings before impairment made up DKK 514m, the highest level in the Group's history.

Impairment of loans and advances and amounts owed represents DKK 544m compared with a reversal of impairment charges of DKK 568m in 2007.

Loss on investment portfolios amounts to DKK 385m. It must be noted that the Group has not applied the new reclassification option of IAS 39 which permits retroactive reclassification of securities in order to avoid value adjustment through profit or loss.

Non-recurring items of DKK 162m were recognised as income.

Following a contribution to the Danish Contingency Committee of DKK 163m and a tax charge of DKK 205m, the Group's profit after tax constitutes DKK 606m. In 2007 profit after tax amounted to DKK 1,710m. Profit after tax for 2008 equals a return on average shareholders' equity (Tier 1) of 8.8% and earnings per share stands at DKK 9.5 compared with DKK 25.6 in 2007.

Group balance sheet highlights in 2008m include:

- 11% rise in bank loans and advances to DKK 82.5bn
- 14% growth in deposits to DKK 75.0bn.

Bank loans and advances of DKK 5bn and deposits of just over DKK 2bn concern the acquisition of bankTrelleborg.

The Group's solvency (total capital) ratio stands at 14.7%, including a core capital (Tier 1) ratio of 10.8%. The Group's internal capital target continues to represent DKK 9,900m, equal to 13.3% of risk-weighted items.

The Group's liquidity measured under the 15% and 10% statutory requirements constitutes 33.2% and 18.9%, respectively, at year-end 2008.

The Group projects core earnings before impairment of loans and advances in the region of DKK 1,600-1,900m in 2009 – unchanged compared with the figure realised in 2008.

During 1H 2009 Sydbank will finally assess the need for capital injection provided by the government of up to approximately DKK 2.2bn.

Performance in 2008

Core income excl trading income

Total core income excl trading income grew by 21% to DKK 3,066m.

Group (DKKm)	2008	2007
Interest margins etc	2,610	2,060
Mortgage credit	176	186
Payment services	136	144
Remortgaging and loan fees	73	73
Other commission	48	55
Other operating income	23	21
Total	3,066	2,539

During 2008 income from interest margins etc showed significant robustness with an increase of DKK 550m to DKK 2,610m – favourably impacted by the growth in bank loans and advances of 11% as well as an increase in interest margins.

As a result of the downturn in the housing market, income from mortgage credit activities has declined by 5%. Moreover income from national and international payment services has decreased by 5%.

Trading income

The huge turmoil in the capital markets prompted by the financial crisis has resulted in reduced income from trading in securities and capital losses on the necessary trading portfolio as well as reduced income from asset management. Total trading income decreased by 22% – from DKK 1,488m in 2007 to DKK 1,159m in 2008.

Group (DKKm)	2008	2007
Bonds	156	184
Shares	193	406
Foreign exchange	311	256
Money market	124	119
Asset management	375	523
Total	1,159	1,488

Costs and depreciation

The Group's total costs and depreciation recorded DKK 2,723m against DKK 2,213m in 2007. This includes DKK 143m ascribable to the integration of bankTrelleborg and a guarantee commission of DKK 86m paid to the Danish Contingency Committee.

Group (DKKm)	2008	2007
Staff costs	1,453	1,263
Other administrative expenses	997	804
Depreciation and impairment of property, plant and equipment	187	135
Other operating expenses	86	11
Total costs	2,723	2,213
Distributed as follows:		
Costs, core earnings	2,484	2,200
Costs, investment portfolio earnings	10	13
Costs, integration of bankTrelleborg	143	-
Costs, guarantee commission to the Danish Contingency Committee	86	-

At year-end 2008 the Group's staff numbered 2,479 (full-time equivalent) compared with 2,276 in 2007.

bankTrelleborg had 16 branches. Of these the branch in Aarhus has been disposed of and five branches in the metropolitan area and in Odense have amalgamated with existing Sydbank branches in these areas. Moreover Sydbank closed down six small branches in 2008 and opened new branches in Greve and Roskilde in September and October 2008, bringing the number of branches to 112 in Denmark and three in Germany.

An impairment charge of net DKK 76m concerns the development of owner-occupied property.

Core earnings before impairment of loans and advances

Core earnings before impairment of loans and advances decreased by DKK 86m to DKK 1,741m.

Impairment of loans and advances etc

Impairment of loans and advances and amounts owed constitutes DKK 544m compared with a reversal of impairment charges of DKK 568m in 2007. This level exceeds the Group's expectations at the beginning of the year and reflects the financial crisis as well as the downturn of the real economy.

Impairment of loans and advances includes DKK 150m concerning the EBH Group. Another approximately DKK 175m relates to impairment of securities-based loans and advances. The remaining impairment charges are predominantly ascribable to the Group's highly-diversified corporate lending portfolio.

Core earnings

Core earnings represent DKK 1,197m compared with DKK 2,395m in 2007.

Investment portfolio earnings

Less funding charges and less related costs of DKK 10m, investment portfolios generated a loss of DKK 385m (2007: loss of DKK 193m), of which DKK 23m concerns Q4. The overall result is adversely affected by an unrealised capital loss of DKK 175m on the Group's portfolio of CDOs. The market value of the CDO portfolio represents DKK 70m as of 31 December 2008. The Group has not applied the new reclassification option of IAS 39 which permits retroactive reclassification of securities in order to avoid value adjustment through profit or loss.

Non-recurring items

In 2008 non-recurring items amounting to DKK 162m (2007: DKK 55m) were recognised as net income. The main items include: an adjustment of the purchase sum concerning Totalkredit of DKK 186m, negative goodwill of DKK 119m recognised as income and integration costs of DKK 143m in relation to bankTrelleborg.

Contribution to the Danish Contingency Committee

In early September 2008 Sydbank paid its share of DKK 30m of the original guarantee in connection with the Danish Contingency Committee's participation in the solutions as regards Roskilde Bank. This amount was written down to DKK 0 in December 2008.

In October 2008 Sydbank signed the agreement of the Danish Contingency Committee on the Danish government guarantee scheme for deposits with and unsecured claims against Danish banks. The Danish Contingency Committee pays an annual guarantee commission of DKK 7.5bn to the Winding-Up Company ("Afviklingsselskabet til sikring af finansiel stabilitet A/S") during the period from 5 October 2008 to 30 September 2010. Sydbank's share so far represents DKK 86m for Q4 2008.

In addition the Danish Contingency Committee guarantees the payment of up to DKK 10bn to cover any losses in the Winding-Up Company. As at 31 December 2008 the Winding-Up Company recorded a loss of DKK 1,025m which can be ascribed to the preliminary loss in connection with the takeover of EBH Bank. Sydbank's share of the guarantee constitutes DKK 459m which is recognised as a guarantee commitment. Sydbank's proportionate share of the loss of the Winding-Up Company is expensed at DKK 47m.

If the estimated loss of the Winding-Up Company exceeds DKK 25bn the Danish Contingency Committee must cover further losses of up to DKK 10bn. Sydbank's initial share constitutes DKK 459m which has also been recognised as a guarantee commitment.

A further consequence of the participation in the government guarantee scheme is that dividend distribution and share buybacks are not possible during the two-year period.

Subsidiaries

The subsidiary bank, Sydbank (Schweiz) AG, which conducts private banking activities in St. Gallen, Switzerland, recorded a loss after tax of DKK 33m (2007: loss of DKK 7m). As a result of the financial crisis, business developments have not been satisfactory.

Ejendomsselskabet recorded a loss after tax of DKK 26m (2007: loss of DKK 8m) as a consequence of impairment charges for property developments.

Profit for the year

Pre-tax profit amounts to DKK 811m compared with DKK 2,257m in 2007. The tax charge represents DKK 205m (2007: DKK 547m). Profit for the year amounts to DKK 606m compared with DKK 1,710m in 2007.

Return

Return on shareholders' equity (Tier 1) represents 8.8% against 26.2% in 2007. Earnings per share decreased from DKK 25.6 to DKK 9.5.

Q4 2008

In Q4 2008 core income excl trading income represents DKK 830m (Q3 2008: DKK 754m) and trading income constitutes DKK 301m (Q3 2008: DKK 223m). After costs of DKK 617m (Q3 2008: DKK 591m) core earnings before impairment make up DKK 514m, the highest level in the Group's history.

Impairment of loans and advances etc totals DKK 459m in Q4 2008 (Q3 2008: DKK 98m). Overall impairment relates to the EBH Group, securities-based loans and advances, and the Group's highly-diversified corporate lending portfolio by approximately one third each. Core earnings represent DKK 55m (Q3 2008: DKK 288m).

Investment portfolio earnings generate a loss of DKK 23m for Q4 2008 (Q3 2008: loss of DKK 170m). The loss includes an unrealised capital loss of DKK 87m on the CDO portfolio. Non-recurring items total DKK 18m (Q3 2008: DKK 16m) and constitute the final integration costs in relation to bankTrelleborg.

Profit before contribution to the Danish Contingency Committee makes up DKK 14m (Q3 2008: DKK 102m). After contribution of DKK 163m to the Danish Contingency Committee and set-off of tax of DKK 11m the result after tax for Q4 2008 amounts to a loss of DKK 138m (Q3 2008: profit of DKK 76m).

Balance sheet

The Group's total assets made up DKK 156.0bn at year-end 2008 against DKK 132.3bn at year-end 2007.

Assets – year-end (DKKbn)	2008	2007
Amounts owed by credit institutions etc	12.9	19.1
Loans and advances at fair value (reverse repo transactions)	13.3	8.6
Loans and advances at amortised cost (bank loans and advances)	82.5	74.5
Securities and holdings etc	28.3	17.6
Assets related to pooled plans	5.8	6.8
Other assets etc	13.2	5.7
Total	156.0	132.3

The Group's bank loans and advances total DKK 82.5bn – an increase of 11%, of which DKK 5bn concerns loans and advances from bankTrelleborg. Individual and collective impairment and provisions stand at DKK 1,106m at year-end 2008 (2007: DKK 895m), equal to 1.0% of total bank loans and advances and guarantees (2007: 0.9%).

Accumulated impairment and provisions for loans and advances and guarantees amounting to DKK 1,106m do not include accumulated impairment and fair value adjustments of loans and advances taken over from bankTrelleborg. The market value adjustment of the loans and advances acquired totals DKK 277m at 31 December 2008.

Shareholders' equity and liabilities – year-end (DKKbn)	2008	2007
Amounts owed to credit institutions etc	38.9	26.5
Deposits and other debt	75.0	66.0
Deposits in pooled plans	5.8	6.8
Bonds issued	10.1	10.1
Other liabilities etc	14.8	12.2
Provisions	0.1	0.2
Subordinated capital (Tier 2)	4.2	3.8
Shareholders' equity (Tier 1)	7.1	6.7
Total	156.0	132.3

The Group's deposits make up DKK 75.0bn against DKK 66.0bn at year-end 2007. The 14% increase derives primarily from a rise in time deposits.

Subordinated capital (Tier 2)

Supplementary capital (Tier 2) represents DKK 2,837m and hybrid Tier 1 capital DKK 1,382m. The increases of DKK 305m and DKK 85m, respectively, compared with the beginning of the year are solely ascribable to the acquisition of bankTrelleborg. Subordinated capital (Tier 2) totals DKK 4,219m (2007: DKK 3,829m).

Shareholders' equity (Tier 1)

At year-end 2008 shareholders' equity constitutes DKK 7,088m – an increase of DKK 391m since the beginning of 2008. The change comprises disposals deriving from:

- Dividend distribution etc of net DKK 207m
- Net purchase of own shares of DKK 168m

as well as additions deriving from:

- Tax on equity items of DKK 160m
- Profit for the year of DKK 606m.

Group solvency

At year-end 2008 the solvency (total capital) ratio stands at 14.7%, including a core capital (Tier 1) ratio of 10.8 percentage points compared with 15.8% and 11.5%, respectively, at the beginning of 2008. The core capital (Tier 1) ratio excluding hybrid core capital declined from 10.0% to 9.3%.

Outlook for 2009

The 2009 outlook is based on the assumption that the Danish economy is in recession.

The Group projects moderate to zero growth in its bank loans and advances.

The positive trend in core income excl trading income is expected to continue in 2009 due to increased interest margins particularly in 2H 2008.

It is assumed that trading income will show a falling trend compared with the trading income generated in 2008. Much will however depend on financial market developments.

A reduction in staff of approximately 100, synonymous with a largely unchanged level of costs, is provided for in the budget.

Overall the Group projects core earnings before impairment of loans and advances in the region of DKK 1,600-1,900m in 2009 – unchanged compared with 2008.

The Danish economy is in recession. The prospects for many industries seem bleak, which will trigger a rise in impairment charges as regards corporate clients. In contrast it is expected that in general the financial situation of retail clients will continue to be satisfactory in 2009. The Group's overall impairment charges for 2009 are expected to be higher than that of DKK 544m realised in 2008.

Investment portfolio earnings will depend on financial market developments. At the beginning of 2009 the Group's position-taking is predominantly short-term involving limited interest rate risk.

The Group does not expect to realise non-recurring items in 2009.

It is anticipated that the contribution to the Danish Contingency Committee in the form of guarantee commission will total around DKK 300m. To this must be added Sydbank's share of the Committee's payment to cover any loss of the Winding-Up Company as a result of the acquisition of EBH Bank and any other acquisitions of ailing banks.

The Group's tax is budgeted at 25%.

Government capital injection

On 3 February 2009 the Danish parliament passed a bill according to which Danish credit institutions complying with the statutory solvency requirements may apply to the government for the injection of hybrid core capital not later than 30 June 2009. During 1H 2009 Sydbank will finally assess the need for capital injection provided by the government of up to approximately DKK 2.2bn.

Income Statement – the Sydbank Group

DKKm	2008	2007
Interest income	7,457	5,601
Interest expense	4,692	3,474
Net interest income	2,765	2,127
Dividends on shares	31	24
Fee and commission income	1,256	1,454
Fee and commission expense	172	172
Net interest and fee income	3,880	3,433
Market value adjustments	115	400
Other operating income	143	33
Staff costs and administrative expenses	2,449	2,067
Depreciation and impairment of property, plant and equipment	187	136
Other operating expenses	86	11
Impairment of loans and advances etc	622	(568)
Profit/(Loss) on holdings in associates and subsidiaries*	17	37
Profit before tax	811	2,257
Tax	205	547
Profit for the year	606	1,710

* Including gain on sale of DMK-Holding in 2007 of DKK 26m

Distribution of profit for the year including proposed dividend

Profit for the year	606	1,710
Total amount to be allocated	606	1,710
Proposed dividend	-	203
Proposal for allocation for other purposes	-	20
Transfer to shareholders' equity	606	1,487
Total amount allocated	606	1,710
EPS Basic (DKK) *	9.5	25.6
EPS Diluted (DKK) *	9.5	25.6
Proposed dividend per share (DKK)	-	3

* Calculated on the basis of average number of shares outstanding.

Balance Sheet – the Sydbank Group

DKKm	2008	2007
ASSETS		
Cash and balances on demand at central banks	752	677
Amounts owed by credit institutions and central banks	12,165	18,450
Loans and advances at fair value	13,282	8,552
Loans and advances at amortised cost	82,476	74,475
Bonds at fair value	26,749	16,145
Shares etc	1,315	1,311
Holdings in associates etc	232	201
Holdings in subsidiaries	-	-
Assets related to pooled plans	5,777	6,789
Intangible assets	15	-
Total land and buildings	1,009	852
investment property	8	3
owner-occupied property	1,001	849
Other property, plant and equipment	158	116
Current tax assets	186	35
Deferred tax assets	10	23
Assets held for sale	5	-
Other assets	11,796	4,656
Prepayments	48	41
Total assets	155,975	132,323
SHAREHOLDERS' EQUITY AND LIABILITIES		
Amounts owed to credit institutions and central banks	38,889	26,523
Deposits and other debt	75,007	66,037
Deposits in pooled plans	5,777	6,789
Bonds issued at amortised cost	10,096	10,076
Current tax liabilities	13	19
Other liabilities	14,764	12,083
Deferred income	19	85
Total liabilities	144,565	121,612
Provisions	103	185
Subordinated capital (Tier 2)	4,219	3,829
Shareholders' equity (Tier 1):		
Share capital	675	675
Revaluation reserves	91	91
Other reserves:		
Reserves according to articles of association	411	399
Reserve for net revaluation according to the equity method	20	11
Retained earnings	5,891	5,298
Proposed dividend etc	-	223
Total shareholders' equity (Tier 1)	7,088	6,697
Total shareholders' equity and liabilities	155,975	132,323

Capital – the Sydbank Group

DKKm	Share capital	Revaluation reserves	Reserves acc to artic of assoc	Reserve for net revaluation acc to equity method	Retained earnings	Proposed dividend etc	Total
Changes in equity							
Shareholders' equity at 1 Jan 2008	675	91	399	11	5,298	223	6,697
Changes in equity in 2008:							
Translation of foreign entities	-	-	-	-	23	-	23
Hedge of net investment in foreign entities	-	-	-	-	(23)	-	(23)
Property revaluation	-	0	-	-	0	-	0
Profit for the year	-	-	12	9	585	-	606
Total income	-	0	12	9	585	-	606
Purchase of own shares	-	-	-	-	(2,741)	-	(2,741)
Sale of own shares	-	-	-	-	2,555	-	2,555
Employee shares	-	-	-	-	18	-	18
Tax on equity items	-	-	-	-	160	-	160
Adopted dividend etc	-	-	-	-	-	(223)	(223)
Dividends, own shares	-	-	-	-	16	-	16
Total changes in equity in 2008	-	0	12	9	593	(223)	391
Shareholders' equity at 31 Dec 2008	675	91	411	20	5,891	-	7,088
Shareholders' equity at 1 Jan 2007	700	-	388	8	5,023	230	6,349
Changes in equity in 2007:							
Translation of foreign entities	-	-	-	-	(5)	-	(5)
Hedge of net investment in foreign entities	-	-	-	-	5	-	5
Property revaluation	-	91	-	-	-	-	91
Profit for the year	-	-	11	3	1,473	223	1,710
Total income	-	91	11	3	1,473	223	1,801
Capital reduction	(25)	-	-	-	25	-	-
Purchase of own shares	-	-	-	-	(5,115)	-	(5,115)
Sale of own shares	-	-	-	-	3,806	-	3,806
Employee shares	-	-	-	-	18	-	18
Tax on equity items	-	-	-	-	60	-	60
Adopted dividend etc	-	-	-	-	-	(230)	(230)
Dividends, own shares	-	-	-	-	8	-	8
Total changes in equity in 2007	(25)	91	11	3	275	(7)	348
Shareholders' equity at 31 Dec 2007	675	91	399	11	5,298	223	6,697

Sydbank participates in the government guarantee scheme (the Danish Contingency Committee) which was adopted by the Danish parliament on 10 October 2008. A further consequence of participation in the government guarantee scheme is that dividend distribution and share buybacks are not possible during the two-year period.

The Sydbank share	31 Dec 2008	31 Dec 2007
Share capital (DKK)	675,000,000	675,000,000
Shares issued at year-end (number)	67,500,000	67,500,000
Shares outstanding at year-end (number)	63,011,999	64,034,059
Average number of shares outstanding	63,446,971	66,741,416

Capital – the Sydbank Group

DKKm	2008	1 Jan 2008	2007
Solvency			
Shareholders' equity (Tier 1)	7,088	6,697	6,697
Revaluation reserves	(91)	(91)	(91)
Proposed dividend	-	(223)	(223)
Intangible assets and capitalised tax assets	(26)	(23)	(23)
Core capital (excl hybrid core capital)	6,971	6,360	6,360
Hybrid core capital	1,230	1,123	1,123
50% of holdings > 10%	(98)	(89)	(89)
50% of total holdings etc > 10%	(34)	(135)	(135)
Core capital	8,069	7,259	7,259
Subordinated loan capital	2,839	2,535	2,535
Revaluation reserves	91	91	91
Hybrid core capital	158	182	182
Difference between expected losses and impairment charges	26	244	-
Capital base before deductions	11,183	10,311	10,067
50% of holdings > 10%	(98)	(89)	(89)
50% of total holdings etc > 10%	(34)	(135)	(135)
Holdings in associates	(62)	(57)	(57)
Capital base after deductions	10,989	10,030	9,786
Credit risk	60,616	51,491	70,151
Market risk	7,261	6,117	6,117
Operational risk	6,731	5,649	5,649
Risk-weighted items	74,608	63,257	81,917
Capital requirement under Pillar I	5,968	5,060	6,553
Pillar II and transitional rules	711	1,187	-
Capital requirement	6,679	6,247	6,553
Core capital (Tier 1) ratio (excl hybrid core capital)	9.3	10.0	7.8
Core capital (Tier 1) ratio	10.8	11.5	8.9
Solvency (total capital) ratio	14.7	15.8	11.9

As of 2008, the solvency (total capital) and core (Tier 1) capital ratios are calculated according to IRB. For 2007, the solvency (total capital) and core (Tier 1) capital ratios are calculated according to the Danish FSA rules in force at that time (Basel I). Risk-weighted items calculated under the Basel I rules amounted to DKK 92,764m at end-2008. Consequently following the transitional rules capital requirements represented 90% of the capital requirement of 8% of risk-weighted items, equivalent to DKK 6,679m.

Supplementary Information

Presentation of the financial statements

In connection with the release of Sydbank's Annual Report on 17 February 2009, a video presentation in Danish will be available at www.sydbank.dk.

Financial Calendar

In 2009 the Group's preliminary announcements of financial statements will be released as follows:

- Annual General Meeting
5 March 2009
- Interim Report – Q1 2009
28 April 2009
- Interim Report – First Half 2009
18 August 2009
- Interim Report – Q1-Q3 2009
27 October 2009

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Links

www.sydbank.dk
www.sydbank.com

For further information reference is made to Sydbank's 2008 Annual Report on <http://www.sydbank.com/sydbankcom/about/ir/finreports>.